

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

FINANCE COMMITTEE MEETING

Minutes of Meeting held Wednesday, December 16, 2009 @ 1:00 p.m.

Finance Committee Members Present: Edward Field, Chairperson and Thomas Deller

Absent: Jerome Williams and Rochelle Lee

Also Present: Alfred J. Moscola (General Manager); Maureen Neira; Henry Kinch; Mark Therrien; Ed Scott; Lilly Picchione and Ellen Mandly.

Agenda Item 3: RIde Building Lease

Henry Kinch distributed and discussed a proposed lease with the DMV for the old RIde building at 325 Melrose Street, which will be vacated when the new paratransit facility opens in 2010. The term will begin on January 1, 2010 at a rate of \$2,571.37, or \$2.25 per square foot with the rent increasing to \$2,995.13 as of February 2010. The tenant would also be responsible for 80% of all utility costs associated with the leased premises and RIPTA would make certain

improvements to the parking area adjacent to the building and install fencing.

Mr. Deller commented that \$2.24 per square foot seemed too low and Mr. Kinch said they initially wanted to pay just \$1.25. Mr. Kinch then answered questions relating to the potential lesser and the negotiations. Following the discussion Messrs Field and Deller both advised that a commercial real estate professional should be consulted to ascertain the current market price per square foot and to offer other advise on market conditions and pricing.

The Finance members asked that the RIde Building lease be put on the next Finance Committee meeting agenda.

Agenda Item 1: Approval of Minutes of October 16, 2009 Meeting

Next Mr. Field officially called the meeting to order and asked Mr. Deller if he had had a chance to review the minutes of the October 16, 2009 Finance Committee meeting. Mr. Deller indicated that he had and moved that the minutes be approved as presented. Mr. Field seconded the motion and the minutes were approved.

Agenda Item 2: RIde RFP

Ed Scott discussed the RIde RFP and reminded the Finance Committee that staff had been asked to recalculate RIPTA's cost to

try to achieve a better hourly rate. Mr. Scott reported that staff reviewed RIPTA's service costs and had lowered its hourly rate by \$2.30 across the board for all RIPTA service. Staff asked the outside providers to also try to lower costs, but only Maher lowered their hourly rate by \$1.00.

He said the contract is for 18 months commencing January 1, 2010 and ending on June 30, 2011. The base contract period was designed to coordinate with the State's fiscal year. The proposed contract includes an annual rate adjustment beginning July 1, 2010 which is based upon the Consumer Price Index or 3%, whichever is lower. The contract also includes three annual renewal options to be exercised at the sole discretion of the Authority.

Mr. Scott, staff and the Committee then discussed some of the agencies who utilize the Ride service and how they may react to an increase in service costs. He said staff worked hard to achieve the lower hourly price as requested by the Committee and asked that the Committee recommend approval of the contract award.

The members of the Finance Committee said they would recommend support of the proposed Ride contract to the full Board.

Mr. Field stated for the record that a brief discussion of a proposed Ride building lease took place earlier and staff was asked to do further investigation and report back to the Finance Committee at the

next meeting.

Agenda Item 4: Rite Solutions Unsolicited Proposal

Next Mr. Field discussed the Rite Solutions unsolicited proposal. He said since there is already a RIPTA RFP out and since Rite Solutions is an unsolicited proposal, he would like to have Henry Kinch spearhead an RFP that tracks senior citizens in particular and others in the general population who get left, lost or misplaced. Mr. Kinch will put together such an RFP that Rite Solutions and others can respond to which will focus on tracking passengers.

Mr. Field said that the process of reviewing the Rite Solutions proposal was helpful in that it caused him to raise questions regarding the fixed route side and he came to realize that several transit properties have combined fixed route and paratransit services and someday we may want to look into this as well. He said that he personally has no ties to Rite Solutions, but because they are Rhode Island Corporation he felt it was important to fully vet their proposal.

Mr. Deller commented that after reviewing the various documents it seems to him that Motorola is the dominate supplier and Mr. Scott replied that for radio, they are. Mr. Scott then answered some general questions about various vendors and how they handle data communications. He then briefly described the difference between a digital system, such as the state communications system and a

cellular system and how RIPTA came to originally implement a radio system which can handle both voice and data. He also answered questions about the CAD system which sends information to devices such as a Blackberry.

Next Mr. Kinch asked if staff could move forward with the proposed ITS system proposals and Mr. Field said no, more discussion is needed. Mr. Field said he intended to continue his review of the proposals and put his thoughts in writing. He intends to include a review of RIPTA's radio system versus the State's RISCO system. Mr. Field then read a quote regarding radios and costs from a letter he received from EMA Director Dave Smith and commented on same vis a vis the ITS proposals RIPTA has received. Mr. Scott responded by giving further details on the radios and how they interface.

Following this conversation Mr. Field said he hears and understands where Mr. Scott and staff are coming from and respects what they have done, however even if the ITS award were approved today it would still be 18 months before implementation and he feels we need more data, not less when there is a possible opportunity to implement a state wide system. Mr. Field feels there may be an opportunity for savings at the tower sites. Ed Scott said everyone will pay their fair share of the tower costs and we will be the biggest user.

Mr. Field reiterated he had no personal connection to any of the vendors and said his gut feeling is that we need to look further down

the road and consider add-ons such as WiFi, live advertising, and other communications capabilities that an analog system can't offer. He said that maybe after further consideration we will want to amend our RFP to include these features. Mr. Field will sum up his thoughts in writing and give to the Board members and staff at the next Board meeting. Mr. Scott commented that it all comes down to the money available for the project.

Agenda Item 5: ARRA Allotments & Certifications

Mr. Kinch reported that the Kennedy Plaza paving project is on track to come in under budget and briefly discussed the paving project. Mr. Kinch said that the original Kennedy Plaza concept had passengers waiting for buses in the terminal. Mr. Moscola added that the terminal is now overcrowded and the islands where passengers wait are too narrow.

Mr. Therrien said that the next ARRA projects will be bus purchases and engine retrofits. Mr. Moscola said he originally planned to purchase 63 hybrid buses, but crafted the RFP for a combination of clean diesels and hybrid purchases. Currently he envisions purchasing 55 hybrids and the remainder clean diesel vehicles, but has not yet made a final decision on the purchase and will do so based on the final price of the hybrids and their warranties. He has until March to make his final decision on the mix of vehicles.

Ms. Niera interjected that at the Board meeting they will seek approval for the purchase of 63 buses without specifying hybrid or clean diesel. Mr. Moscola then answered questions on the quality of the ride in a hybrid vehicle and gas mileage.

Finally Mr. Therrien reported that the TIP was approved and passed by both Committees. He said the Governor was expected to sign the TIP that day and then the ARRA projects will move into the grant stage.

Agenda Item 6: Balance FY 2011 without ARRA Funds

Ms. Neira discussed balancing the FY 2011 budget without ARRA funds for operating assistance. Ms. Neira prepared a list of actions that could be taken to achieve short term savings such as paper and scrap recycling, deferring or freezing job openings, using on line purchase orders, and a fuel contract extension. These short term savings would occur in the next six months.

Next Ms. Neira listed long term savings which would be implemented in 2011 such as, a review of safety programs and long term employee absences, printing less schedules, TIGGER grant lighting installation, tort liability cap and senior and disabled fares, which would require legislative approval and service modifications and fare increases which would require public hearings. Ms. Neira gave the Committee approximate cost savings for each suggestion.

Ms. Neira said she would continue to work on this issue and have further suggestions at the next Finance Committee meeting.

Agenda Item 7: Rapid Route – Costing/Funding

A very brief discussion of rapid route costs and funding was held. Mr. Therrien said we're about \$1.3 - \$1.5 million short of the funds needed for this project. Mr. Therrien said an engineering firm needs to be retained to assist with design flow. Mr. Deller suggested conferring with Mike Lewis to seek RIDOT assistance. The Committee said they would mention same to Mr. Lewis at the Board meeting.

Mr. Therrien also briefly discussed new bus shelters and Mr. Deller suggested funding through community development block grants. He suggested Mr. Therrien contact Councilwoman Jackson and speak to the City of Pawtucket.

Agenda Item 8: Old Business

No old business was discussed and Mr. Field moved on to the next agenda item.

Agenda Item 9: Adjournment

There being no further business Mr. Deller made a motion to adjourn the meeting. Mr. Field seconded the motion and it passed unanimously.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary